TECHNICAL
REQUIREMENTS DOCUMENT
(TRD)
For
LANDING GEAR
COLLABORATIVE SUPPLY CHAIN INTEGRATION (LG-CSCI)

Date

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Overall Objective

The objectives of this contract are to: Achieve and maintain 90% On Time Delivery (OTD), reduce Production Lead Times (PLTs) by 25% with a stretch goal of 50%, improve quality, improve and expand the current manufacturing base, and reduce supply chain bottlenecks associated with USAF landing gear spare parts. All work shall be accomplished IAW the requirements specified in the contract.

1.0 SCOPE

Provide oversight, procurement, and manufacturer management for Defense Logistics Agency Landing Gear consumables and United States Air Force (USAF) Depot Level Reparables (DLRs). This scope encompasses all competitive USAF landing gear spare parts. The Total Evaluated Price (TEP) Worksheet (RFP Section J Attachment 3) contains all items currently deemed to be within the scope of this effort.

2.0 SUMMARY OF NEED

Spare parts availability is a vital component of warfighter support, the current approach for purchasing competitive landing gear spare parts must be improved upon. In order to properly support the 417th Supply Chain Management Squadron (SCMS), the contractor must improve the competitive landing gear supply chain.

3.0 PROGRAM MANAGEMENT

The contractor shall oversee the manufacturing process for all items to ensure smooth flow of logistics functions, proper processes, and quality control practices are being utilized. The contractor shall be responsible for ensuring effective management of LG-CSCI program by providing the oversight and expertise necessary to achieve and maintain 90% On-Time Delivery (OTD), and 50% Production Lead Time (PLT) reduction goals for all AF managed NSNs associated with this effort.

In order to improve forecasting, the Government will provide forecast requirements to the contractor for review approximately twice a year. The purpose of this review is to share information and to validate changes in previous forecasts. Initially, standard Government requirements projection data from the D200 System for USAF and demand history data for DLA items will be utilized. As additional data is available, other sources of requirements projection may be provided.

The contractor shall ensure all Program related requests from the Government are acknowledged and acted upon in a timely matter. Urgent requests will require immediate acknowledgement and estimated completion date (generally within one workday). This shall be accomplished in writing by or through the designated focal point.

3.1 Program Manager:

The Contractor shall provide a full time on-site Program Manager (PM) who shall be responsible for the performance of all work required by this contract. The PM shall have the experience and expertise to understand, communicate, and manage the terms of this contract, have full authority to obligate the Contractor on all matters relating to the execution of this contract. The Government will provide the contractor with data in the form of historical demands, historical/future program (flying hours & repair schedule), replacement rates, inventory posture, condemnation rates, and buy & repair forecasts. The PM shall utilize this information to identify forecast errors, or discrepancies and work with the Government PM in order to reduce PLTs and the likelihood of delivery order terminations. The Program Manager shall have expert knowledge of Government and commercial supply chain management, landing gear manufacturing processes, and Federal Acquisition Regulations (FAR). The PM shall ensure smooth and efficient operations and shall participate in program management reviews (PMRs) and feedback sessions. Formal PMRs shall be conducted at least twice annually. PMRs and feedback sessions will be conducted in a manner conducive to all parties and may, over time, be adjusted in interval as required, to ensure all objectives are met. The 417th SCMS will provide a work-space at Hill Air Force Base in building 1216 dedicated to the LG-CSCI PM. In the event of employee turnover for this position the contractor shall ensure an alternate POC is identified until the new Program Manager position is filled. The contractor shall fill and identify the position to the Government within 3 weeks, regardless of base access.

3.1.1 Administration:

The standard work week is an 8 hour day, 40-hour week. Normal business hours of operations for the facilities are 0600-1800 hours, Monday Through Friday. The PM or an alternate shall be available Mon-Fri 40 hours a week, between facility hours of operation. Unless directed by the COR and approved by the CO, the contractor is NOT required to provide service: New Year's Day, Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day. Holidays that fall on Saturday, will be observed on Friday; while holidays that fall on a Sunday, are observed on Monday.

3.2 Supply Chain Management:

The contractor shall be responsible for improving the current LG-CSCI supply chain by; identifying and relieving bottlenecks, ensuring appropriate material provisioning for forgings, collaborating with the Government on forecast requirements, and ensuring outside process constraints are minimized.

3.3 Subcontractor Management:

The contractor shall ensure timely subcontractor payment, coach and mentor small business manufacturers, and provide engineering oversight. The contractor shall expand the current industrial supply base for Air Force landing gear spare parts by identifying and qualifying new suppliers for source controlled parts. The contractor shall mentor current suppliers to

ensure processes, engineering, quality control, and manufacturing techniques are in line with industry best practices.

4.0 ENGINEERING, TECHNICAL, & QUALITY REQUIREMENTS

4.1 Prime Contractor is the Approved Source

By virtue of the source selection process, the Prime Contractor will become the approved source IAW AFI 20-106, E.2.a.1 for all NSNs (except as specified in TRD paragraph 4.1.1) for the duration of the contract unless contract performance concerns require the Government to initiate greater oversight. The Prime Contractor will be solely responsible for meeting all contract requirements for all NSNs, including, but not limited to, conformance to all specifications, drawings, and their attachments. As such, the Prime Contractor will be added to the Screening Analysis Worksheet (SAW) for each NSN. The Prime Contractor is responsible for selecting qualified subcontractors IAW with TRD paragraph 4.8, for all steps of the manufacturing process and is not required to use other approved sources listed on the Screening Analysis Worksheet (SAW), though it is recommended to consider SAW sources and use them when possible.

4.1.1 Exceptions to Prime Contractor as Approved Source

4.1.1.1 Exception for Proprietary NSNs

The Prime Contractor shall not be the approved source for any proprietary NSNs.

4.1.1.2 Exception for Source Control Drawings

The Prime Contractor Shall not be the approved source for any NSNs on a source control or specification control drawing that lists specific approved sources on the drawing. To become the approved source for a source or specification control NSN, the Prime Contractor or suitable subcontractor must satisfy the source control drawing specific qualification requirements and become approved by the Government engineering authority.

4.2 Prime Contractor Required Role

While it is expected that the Prime Contractor and associated teaming arrangements will perform some of the manufacturing processes, this is not required and it is unlikely that one contractor has the capacity to perform this level of support without significant subcontracting. However, it is required that the Prime Contractor will be directly involved with the manufacturing process for all subcontractors including, but not limited to, machining and plating processes. The Prime Contractor shall provide engineering and quality assistance and oversight and shall be responsible for logistical coordination for each delivery order. It is not acceptable for the Prime Contractor to simply release orders to subcontractors without providing the oversight required to ensure successful contract performance. The contractor shall oversee and be directly involved with all sourcing and quality control associated with all NSNs. This arrangement allows the Prime Contractor to perform creative and strategic subcontracting and teaming arrangements to satisfy the contract requirements.

4.3 Key Personnel

Landing gear systems engineering, machining, processing, manufacturing, and quality control experience and expertise are required. The prime contractor (including teaming partners) shall maintain a staff of highly skilled personnel to oversee the technical aspects of the contract and each delivery order. At a minimum, the prime contractor shall have staff that meet the following requirements:

4.3.1 Engineering

4.3.1.1 Principal Engineer

The prime contractor shall identify a single Principal Engineer as the point of contact for all technical issues. The Principal Engineer shall have a minimum of 10 years of related manufacturing experience with five years of direct landing gear manufacturing experience. Academic achievement level shall be a minimum of a Bachelor of Science degree in an applicable engineering subject obtained from a program that is accredited by the Accreditation Board for Engineering and Technology (ABET). The Principal Engineer shall have excellent communication skills. The Principal Engineer shall be integral in selecting manufacturing and sub-processing sources, working with all sources to ensure the technical requirements of each delivery order are satisfied, proactively working with sources to resolve technical concerns, and preparing waiver requests to submit to the Government engineer per paragraph 4.10.3.

4.3.1.2 Engineering Team

The prime contractor engineering team will assist the Principal Engineer with required duties, but the Principal Engineer will be the point of contact for technical issues. The engineering team shall have expertise of materials, machining, and processing applicable to landing gear such as: high strength steels, aerospace grade aluminum, high strength stainless steels, titanium, general machining, grinding processes, forging processes, heat treating, electroplating, HVOF (High Velocity Oxygenated Fuel) coating application, precision measuring, NDI (Non-Destructive Inspection), etc. The engineering team shall be able to read and interpret landing gear drawings and should have experience with CAD/CAM modeling as required to assist manufacturing. If CAD models are used for manufacturing, the Prime Contractor must use a validation process that is documented in a quality plan to ensure the models meet the contract requirements.

4.3.2 Journeyman Machinist (JM)

The prime contractor shall identify a Journeyman Machinist (JM) that is an expert with landing gear manufacturing processes. The JM shall have a minimum of 15 years of experience with 10 years of direct landing gear manufacturing experience. The JM shall be an expert with machining processes required for high strength steels and aerospace grade aluminum. The JM shall have detailed experience with the manufacturing process from beginning to end. The JM shall be experienced with required subcontracting steps and have the knowledge and skills required to efficiently execute a manufacturing effort with satisfaction of all technical requirements. The JM shall have excellent

communication skills and shall be able to mentor and provide accurate guidance to all machine shops and sub-contractors throughout the duration of the contract. The JM, Principal Engineer (see paragraph 4.3.1.1), and QAE (see paragraph 4.3.3) will collaborate to vet new sources and provide technical oversite for delivery orders to address any technical questions and to ensure efficient performance of technical requirements.

4.3.3 Quality Assurance Expert (QAE)

The prime contractor shall identify a Quality Assurance Expert (QAE) point of contact to oversee that proper quality controls are in place for all contract requirements. The QAE shall have a minimum of 10 years of related experience with at least five years of landing gear experience and five years of Government contract experience specific to the Department of Defense (DoD), including direct experience in working with or for the Defense Contract Management Agency (DCMA). The QAE shall have a thorough understanding of AS9100, ISO 9001, NADCAP, and other equivalent industry standards. The QAE, Principal Engineer, and JM shall collaborate to assess if potential and existing sources have a robust quality program. The QAE shall work with sources to refine quality programs by performing regular audits per TRD paragraph 4.10.2. The QAE shall investigate all deficiencies and collaborate with local quality and DCMA to develop corrective action. Concerns with quality programs shall be addressed with audits (CDRL A007) and direct training. Excellent communication skills are required to ensure a productive working relationship exists between the QAE, source counterparts, and Government personnel.

4.4 Access to Government Systems

Upon award, the contractor PM shall immediately obtain access to the following systems:

4.4.1 Joint Engineering Data Management Information and Control System (JEDMICS)

The prime contractor shall be responsible to gain access to the JEDMICS to obtain required technical drawings. JEDMICS registration is available through the JEDMICS Program Home Page: https://www.jedmics.net.

4.4.2 Purchase Request Process System (PRPS)

This system contains technical information needed to identify the technical requirements for each NSN on this contract. To gain access, the prime contractor must contact PRPS Site OPR at 429 SCMS/GUMAA, Hill AFB (phone 801-586-0657).

4.5 Technical Data Packages

Manufacture shall be IAW with the TDP in effect on the issue date of the delivery order unless otherwise noted. The date of the delivery order signifies what version of the TDP is contractually required. All data current at the date of the delivery order is required unless production overrun parts exist or if a waiver is approved by the Contracting Officer (CO) that allows alternate requirements. The TDP shall be obtained using the following method:

a) Download the current Screening Analysis Worksheet (SAW) from PRPS

b) Check to see if the SAW is expired by comparing the AMC/AMSC EXP DT with the date on the delivery order. If the SAW is expired, notify the CO that the NSN needs to be screened before proceeding with production. Do not proceed until an updated TDP is available.

c) Download the current Engineering Data List (EDL) from PRPS.

d) Download the applicable versions of drawings, Engineering Orders (EOs), Advanced Engineering Supplemental Orders (AESOs), and other attachments listed on the EDL from JEDMICS. It is critical to ensure the revisions listed on the EDL match what is being downloaded. In some instances, newer versions of drawings and attachments may exist in JEDMICS. Only the versions that match the EDL are authorized for production. Some EDLs may list an "Attachment A" or "Engineering Instructions". This document can be found in PRPS.

e) Download the applicable First Article Requirements (AFMC Form 260) from PRPS, if one is required per the SAW. The First Article Requirement shall be fulfilled IAW paragraph 4.6.

f) Review all documents and report any questions or concerns to the CO and the Government engineering liaison within 15 business days of initial receipt of order. Any concerns received after the 15 business day period will not be considered for Government caused delays.

4.6 First Article Requirements

First Article Inspections/Testing will be accomplished IAW AFMC Form 260 and FAR 52.209-3, 52.209-4, and Subpart 9.303 (a through d). At the contractor's discretion, First Article testing may alternatively be accomplished by an independent Government approved testing facility that is certified to International Organization for Standardization (ISO) 17025 or equivalent. The test facility must be fully independent of the contractor and must allow Government oversight, upon request. Requests for approval of the test facility will be submitted to the CO. Government engineering will specify approval limitations, if any, in responding to the contractor's request. If the contractor intends to use an independent lab, the contractor shall submit the request for approval of the potential lab(s) to the CO within 30 business days of basic contract award. Post award request may be submitted to the CO at any time. The Government will approve or deny the request within 30 business days. However, no contractual relief will be granted for the purposes of approving an independent lab. For independent lab(s), the First Article Test report will be submitted to the CO for approval IAW CDRL A001.

4.6.1 First Article Waiver

During performance of this contract the prime contractor will be required to perform a First Article Test (FAT) for all NSNs that have a FAT requirement. Once the FAT has been approved the FAT requirements for that item may be waived for the remainder of the LG-CSCI contract with Government engineering approval. However, the Government reserves the right to reinstate the FAT requirement.

4.7 Part Tracking Database

The prime contractor shall establish a parts tracking database in accordance with industry standards. Audit trails for the manufacture of all parts must be maintained for all components procured in support of this contract and must include all certifications and historical data tracking all materials, processes, sources, first article inspection, etc. used in the manufacture of each part. The contractor shall create and maintain a database with Government access to track processes, history and metrics by part number, NSN, and serial number. At the conclusion of the contract, the database content shall be delivered to the government, CDRL A002.

4.8 Improving the Manufacturing Base

The prime contractor shall continually improve and expand the current manufacturing base, and shall ensure that at least 50% of the manufacturing is carried out by a small business. The prime contractor shall work to improve sources listed on the SAW, when possible, and shall find and mentor new sources.

4.8.1 Potential Source Evaluation

New sources shall be considered by comparing relevant experience with a potential requirement. The GUEA Checklist (Section J Attachment 16) shall be used when considering a source. This form shall be filled out when evaluating a potential source and completed forms for approved sources shall be maintained in a Government auditable database and delivered annually (CDRL A008). A site inspection shall be performed to audit the capabilities, capacities, and quality system of the potential source. It is recommended that the Principal Engineer, JM, and QAE will be present for the site inspection. However, it is required that at a minimum one engineer from the Engineering Team shall be present during the inspection. The Principal Engineer, JM, and QAE shall review the findings from the inspection and will collectively validate the new source. Government engineering shall be notified of potential source site inspections and shall be invited to participate.

4.8.2 Removing Sources

If a SAW source is identified that is no longer in business or should be removed from the SAW for any other appropriate reason, that information shall be provided to the CO with a list of applicable NSNs and the proposed reason for removal. The Government reserves the right to remove or restrict a subcontracted source if quality or safety concerns arise.

4.8.3 Electronic Database of Sources

The prime contractor shall maintain an electronic database of current sources as well as any new or removed sources throughout the life of this contract and the data used to approve or remove the source. This database shall include all metrics concerning subcontractor performance. The database shall be readable by MS office products, accessible to the Government and shall be provided in accordance with CDRL A003.

4.9 Data Rights

Any data created during the execution of this contract and in support of this contract shall be developed and provided with unlimited data rights to the Government per DFARS 252.227-7013.

4.10 Quality Management

The contractor shall develop a quality plan which shall identify processes, procedures, and metrics to ensure successful outcomes for all items manufactured under this contract. The contractor and any subcontractor performing manufacturing or processing for this contract shall have quality control plans consistent with AS9100 or equivalent. At the government's request, the contractor shall provide audit access to the quality plan, and quality program manual(s), including matrices tracing the provisions of AS9100 or equivalent requirements to contractors documented procedures. The contractor is responsible for the quality of all parts used to satisfy the requirements of this contract. These responsibilities will be performed in close coordination with the government. Guidelines for resolving all Product Quality Deficiency Reports are outlined below:

4.10.1 Product Quality Deficiency Reports (PQDRs)

The contractor will cooperate fully with USAF and DCMA personnel in the investigation of all quality deficiencies. In addition, the contractor will track all quality deficiency reports for the weapon systems involved in this acquisition.

4.10.2 Quality Audits and Assessments

Contractor shall conduct periodic audits/assessments of their quality program, as well as their subcontractor's quality programs to ensure that the programs are consistent with the proposed approach (CDRL A007). Audits conducted by the Government may also be required as a result of quality issues that are detected during the course of the contract or at the government's request.

4.10.3 Material Review Board - Deviations and Waivers

The prime contractor shall identify deviation and waivers IAW ANSI/EIA-649 Standard and ALL DEVIATIONS AND WAIVERS will be referred to the Government for disposition. The intent of the Material Review Board (MRB) process is to formally review material discrepancies identified prior to shipment of material.

4.10.3.1 MRB Actions

Notification of all MRB actions will be provided to the Government for review and decision. DD Form 1694 documentation shall be provided in a timely manner to the CO. Guidelines for preparing Form DD 1694 is found within the form. Additional guidance is found in MIL-HDBK-61A and ANSI/EIA-649. Both Class I and Class II variances must be submitted for review. Each submission must include a disposition recommendation including a justification by the Principal Engineer demonstrating why the waiver is acceptable, historical information on disposition of similar waivers on this contract, and specific recommendations for updates to the technical data when

applicable. The CO will then forward the documentation to the appropriate engineering offices for action. Support documentation shall be provided at the time of submission. The contractors and the Government will establish a timely process to ensure that impacts to delivery are minimized. However, submission of a waiver does not relieve the contractor of their obligation to meet the delivery schedule requirement.

4.11 Commercial Items

Commercial off the shelf (COTS) items are included on this contract. COTS items shall be purchased IAW the Procurement Item Description (PID) and the Commercial Item Description (CID) as provided by the USAF. For commercial items the prime contractor is responsible for notifying the Government if the drawings or technical data is different from the information cited in the PID.

4.12 Item Unique Identification (IUID)

The contractor shall apply IUID IAW current revisions of the technical data package for spares acquired during the course of this contract. Additionally, the contractor shall recommend to the Government new candidate parts for inclusion in the IUID program by identifying parts with acquisition cost greater than $5,000 that are not currently identified as IUID IAW Department of Defense Federal Acquisition Regulation Supplement (DFARS) 252.211-7003. The contractor shall recommend marking instructions, method, and location for Government review. . The contractor shall have a thorough understanding of IUID marking requirements, marking equipment, databases and their interfaces, engineering evaluation requirements, verification, with data and configuration management relating to IUID marking. The contractor shall maintain the IUID tags (markings) on all spares IAW MIL-STD-130N, dated 16 November 2012, contract clauses, DFARS (252.211-7003, 252.211-7007), and the contractor's IUID Marking Plan, CDRL A004. ***Guidance provided in the tech data package takes precedence over all other documentation***.

4.12.1 IUID Serialized Tracking of Assets

Along with the IUID marking process, the contractor shall track assets by serial number and describe the Parent/Child relationship if any and communicate the IUID data to the Program Manager through the CO, CDRL A005.

4.13 Obsolescence / DMSMS Management

The contractor is responsible for monitoring and managing the loss, or the impending loss, of manufacturers or suppliers of components, assemblies, or materials required to satisfy the requirements of this contract. If the contractor detects a potential issue, the contractor shall provide an Obsolescence/ Diminishing Manufacturing Source/Material Shortage (DMSMS) Management Plan (CDRL A006). At a minimum, the plan shall address the following: (1) means and approach for providing the USAF with information regarding obsolescence / DMSMS problems, (2) planned resolution of current obsolescence / DMSMS problems, (3) parts list screening, (4) parts list monitoring, (5) processing Government Industry Data Exchange Program (GIDEP) (www.gidep.org) DMSMS Alerts (6) processing Service

DMSMS Alerts, (7) communication with and availability of information to the USAF, (8) means and approach for establishing obsolescence and DMSMS solutions, and (9) plan for conducting DMSMS predictions. The "Program Manager's Handbook – Common Practices to Mitigate the Risk of Obsolescence," published by the Defense Microelectronics Agency may be used as a guide in developing an obsolescence / DMSMS Management Plan. The USAF will advise the contractor of any obsolescence actions in process to avoid duplication of cost.

4.14 Forging Die Refurbishment

The contractor shall maintain relationships with landing gear forging suppliers in order to ensure forgings are sourced as timely as possible. If it is determined that a forging die needs to be replaced or refurbished, the contractor shall submit a request to the CO for approval of the die. If the Government approves the die the expense will be funded. The Government will only fund pre-approved expenditures for forging dies.

5.0 GOVERNMENT-FURNISHED PROPERTY AND SERVICES

5.1.1 Government Furnished Facilities

The Government will furnish a desk and work space. Contractor shall follow regulatory guidelines concerning maintenance, use and safety of Government facilities.

5.1.2 Government Furnished Equipment and Supplies

The Government will furnish access to a computer, all required software, laser printer, fax, and telephone for use with assigned work and office supplies incidental to assigned work. At the conclusion of the contract period, the Contractor shall be responsible for return of equipment in the same condition as received, fair wear and tear acceptable. Contractor shall follow regulatory guidance concerning use and safety of Government equipment.

5.1.3 Government Furnished Records

The Government will provide the Contractor with all data required for completion of each tasking. This will be provided through access to Government data systems and contract files necessary to accomplish the assigned work.

5.1.4 Records, Files, Documents, and Work Papers

All records, files, documents, and work papers provided by the Government or generated in support of this work effort are Government property and shall be marked, maintained, and disposed of per AFI 33-322, Records Management Program.

5.1.5 Security

The Access to classified information will not be required; however, access to restricted or export-controlled information, and U.S. Government automated information system

resources which process sensitive, unclassified, or Privacy Act information will be required.

Therefore, as a minimum, National Agency Checks (NACs) will be conducted for all personnel in accordance with DoD 5200.2-R, DoD Personnel Security Program. The contractor shall establish and administer personnel and physical security programs in accordance with DoD 5200.2-R and the following regulations applicable to each location.

The contractor (s) Facility Security Officers (FSO) will submit to the DLA Security a written request for investigation and/or Visit Request Format least to the NACLC level, for new employee s IAW DoD 5220.22-M, National Industrial Security Program (NISPOM) applicable local agency and base regulations and DoD 5200.2-R, DoD Personnel Security Program. For previously investigated employees having been investigated in the past ten (10) years, the FSO can request a re-investigation through Joint Personnel Adjudication System (JPAS).

The program shall include requirements and procedures needed to meet PBWS and mission requirements within each functional area. Contractor must protect information in accordance with (IAW) applicable Government regulations. Contractor shall observe and comply with security provisions in effect at all Air Force, DoD, and contractor facilities where work is accomplished under the contract. Any required ID badges shall be worn and displayed at all times contractor shall be responsible for safeguarding all Government property and equipment provided for contractor use. At the close of each work period, Government facilities, property and materials shall be secured.

All work performed under this contract is confidential and is not to be released to outside parties without express written permission from the DLA CO. The Contractor shall not establish files and computer software or systems outside the Government offices, except those specifically for use in the development or revision of programs approved by DLA.

Software will neither be developed nor procured, nor will hardware be procured for the accomplishment of these tasks without the written permission of the QAP and appropriate procurement contracting personnel.

5.1.6 Physical Security

The Contractor shall be responsible for safeguarding all Government property provided for Contractor use. At the end of each work period, all Government facilities, equipment, and materials shall be secured.

5.1.7 Common Access Card (CAC)

The Contractor shall submit a written request for identification credentials to the appropriate CO, in accordance with AFFARS 5352.242-9000. If Contractor personnel require access to the base computer network (i.e. a ".mil" address is required), a Trusted Agent (TA) request letter for the issue of a CAC shall be submitted through the Primary/Alternate QAP to the CO, and processed through the Contractor Verification System (CVS).

If access to the base computer network is not required, an AFMC Form 496 must be completed to obtain a contractor ID Card/Badge (AFMC Form 387). The AFMC Form 496 shall be submitted to the responsible CO. If approved by the CO, the AFMC Form 496 shall be processed through Primary/Alternate QAP at each site.

The CAC or ID Card/Badge shall be worn or prominently displayed in such a manner as to be visible at all times while performing work on or visiting the Government installation. Upon completion or termination of the contract/order or termination/transfer of the employee, the CAC or ID Card/Badge shall be returned to the CO.

5.2 Conservation of Government Resources

The contractor shall be responsible for operating under conditions which prevent the waste of Government resources, including utilities, water, heating and cooling systems, telephones, fax lines, email and internet, and other computer resources.

5.3 Environmental Controls

The contractor shall be knowledgeable of and comply with all applicable Interstate, Federal, State, and local laws, regulations, and requirements regarding environmental protection. In the event that environmental laws/regulations change during the term of this contract, the contractor shall comply as such new laws take effect.

6.0 Metrics, and Reconciliation

6.1 Post Award PLT Adjustments

At the end of each contract year, the data from previous contract performance will be evaluated to compare actual PLT performance to the proposed PLTs. In the event of a discrepancy, where actual PLT is above or below the proposed PLT to a point the Program Manager determines an adjustment appropriate (with ultimate decision authority residing with the CO). PLT adjustments are intended to incentivize a reduction in PLT, but also to ensure that PLTs are appropriate and realistic. The adjustment process shall be a collaboration between the Contractor and Government using the formula below, and adjustments to PLT will be made via a bi-lateral modification to the contract. In the event of a PQDR or other quality issues that are the fault of the contractor, the Government may elect to forego the incentive adjustment at the discretion of the CO. The formula will be applied to adjust the price to compensate for the actual performance and in some cases, where justifiable, to accommodate anticipated future performance. Reduced PLTs will drive an upward adjustment to the proposed price for the following year, and increased PLTs will adjust the contract unit price down. This adjustment will be done at a proportion of 0.2% adjustment to the unit price for each 1% change in the proposed lead time for that contract year. This adjustment will be applied up to a 50% change in PLT, resulting in a maximum 10% adjustment for each NSN.

EXAMPLE: If, during the review, the proposed PLT for item 1 in the next contract year is 200 days but over the last several years of performance the contractor has demonstrated

the ability to deliver the item in 180 days, an adjustment would be made to change the expected PLT for that year to 180 and increase the price for that year by 2% of the contract unit price.

6.2 On-Time Delivery (OTD)

On-Time Delivery (OTD) will be tracked for every delivery order. The LG-CSCI contractor performance measurement shall be developed using the contractors proposed Production Lead Time (PLT), total Contract Line Item Number (CLIN) quantity, total quantity delivered at proposed PLT, and actual days to delivery completion. The total amount of assets not delivered by the proposed PLT shall be referred to as the Requirement Ratio Missed (RRM) and the total amount of days beyond the proposed PLT shall be referred to as Days Late (DL). Both measurements shall be used on each CLIN in order to assess contractor performance through the life of the contract. Any adjustment made based on late delivery shall be applied prior to final invoice, and the contractor shall invoice to the adjusted delivery order price.

6.2.1 Requirement Ratio Missed

RRM will be calculated by first dividing the total CLIN quantity delivered on or before the contractor proposed PLT by the total CLIN quantity and then subtracting that amount from 1. For example, if CLIN 0001 was awarded for 100 ea. with a PLT of 75 days and the contractor delivered 80ea at the end of day 75, the RRM would equal .20. The measurement would be calculated using the following methodology:

$$RRM = 1 - \left(\frac{D}{C}\right)$$

Where:
D = Delivered by the proposed PLT
C = Total CLIN quantity
RRM = Requirement Ratio Missed

6.2.2 Days Late

The DL will be calculated by subtracting the actual (calendar) days passed to deliver 100% of the CLIN quantity from the contractor proposed PLT. For example if CLIN 0002 was awarded for 200ea with a PLT of 150 days and the contractor delivered 150ea at the end of day 150 and the remaining 50ea was delivered by the end of day 220, the DL would equal 70. The measurement would be calculated using the following methodology:

$$DL = AD - PD$$

Where:
AD = Actual days (Calendar) taken to deliver 100% of the CLIN quantity
PD = Proposed PLT
DL = Days Late

6.2.3 Factors

$$DLF = .0005 \times (DL - 15)^{2.345}$$

$$RRMF = 8 \times RMM^{1.5}$$

Where:
DLF = Days Late Factor (max value 8)
RRMF = Requirement Ratio Missed Factor (max value 8)

6.2.4 Penalty Calculation

$$Penalty = .4 \times TCP \times \frac{DLF}{100} + .6 \times TCP \times \frac{RRMF}{100}$$

Where:
TCP = Total CLIN Price

As an example of how the calculations would work, a table is included highlighting examples of potential scenarios and the resulting outcome in the formula.

Variables				Factors (as %)		Penalty	Penalty as Percent of Order Total
Order Value	Order Qty	Delivered On-Time Qty	Days Late Delivery Completed	Days Late	Ratio		
$ 1,000,000.00	1500	1200	42	0.113637	0.715542	$ 4,747.80	0.47%
500,000.00	750	750	0	0	0	-	0.00%
615,168.00	980	975	65	0.482008	0.002915	1,196.83	0.19%
250,000.00	89	40	120	2.745737	3.268128	7,647.93	3.06%
1,650,000.00	6450	5200	95	1.451162	0.68252	16,334.62	0.99%